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COPY NO. 23

I.A.B. 7th Meeting

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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE ADVISORY BOARD

Minutes of Meeting held in Room 2169  
New War Department Building  
on Monday, 26 August 1946, at 2:30 P.M.

Lt. General Hoyt S. Vandenberg, Director of  
Central Intelligence, in the Chair

MEMBERS PRESENT

Colonel William A. Eddy, Special Assistant to  
the Secretary of State for Research and  
Intelligence  
Maj. General Stephen J. Chamberlin, Director  
of Intelligence, W.D.G.S.  
Rear Admiral Thomas B. Inglis, Chief of  
Naval Intelligence  
Brig. General George C. McDonald, Assistant  
Chief of Air Staff-2  
Mr. C. H. Carson (representing Mr. J. Edgar  
Hoover, Director, Federal Bureau of  
Investigation)

ALSO PRESENT

Brig. General John A. Samford, U.S.A.  
Dr. Kingman Douglass, Central Intelligence Group  
Mr. A. S. Buford, State Department  
Captain Ransom K. Davis, U.S.N.  
Colonel Charles E. Taylor, U.S.A.  
Colonel Robert Taylor III, U.S.A.  
Colonel E. J. Treacy, U.S.A.  
Lt. Colonel E. G. Edwards, U.S.A.  
Commander George McManus, Central Intelligence Group

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Mr. James S. Lay, Jr., Secretary, National  
Intelligence Authority

APPROVED FOR RELEASE DATE:

26-Aug-2008

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HR 70-14  
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1. EXPLOITATION OF AMERICAN BUSINESS CONCERNS,  
NON-GOVERNMENTAL GROUPS AND INDIVIDUALS WITH  
CONNECTIONS ABROAD AS SOURCES OF FOREIGN  
INTELLIGENCE INFORMATION

(C.I.G. 12/1)

GENERAL VANDENBERG explained that the need for coordination in this field is to assure that all agencies' views and requirements are given the same weight. It is also necessary to avoid the experiences during the war when as many as twelve agencies called on a single firm for the same information. It is considered that only C.I.G. could properly perform this coordinating function. In addition, C.I.G. will be able to place more people on the job than any other single agency. General Vandenberg then requested comments on the paper.

GENERAL SAMFORD stated that A-2 had no objection. They would like to see the paper approved as it stands if it is considered to be strong enough.

ADMIRAL INGLIS said that his comments were primarily to clear up the wording. He questioned whether this paper referred to exploitation only in the United States and suggested that this point be cleared up.

GENERAL VANDENBERG confirmed the fact that the exploitation would occur only in the United States, and an amendment to that effect was agreed upon.

COMMANDER McMANUS also noted that the briefing would be done only with individuals who were going abroad on short trips, and an amendment to that effect was agreed upon.

MR. CARSON stated that the F.B.I. felt the directive was too broad since it might or could conflict with F.B.I.'s operations in the United States. Specifically the F.B.I. objected to including in this directive the exploitation of "non-government groups and individuals with connections abroad." He suggested that such groups and individuals be specifically defined or that this directive be confined to American business concerns.

GENERAL VANDENBERG stated that it was impossible to define specifically the groups and individuals which C.I.G. wished to exploit since they included any groups or individuals who might be sources of foreign intelligence information related to the national security. He thought that, in view of the President's directive, it might be necessary to put this paper before the N.I.A. if the F.B.I. objected to it. General Vandenberg noted that the term "investigations," which C.I.G. was precluded from making by paragraph 9 of the President's directive establishing the N.I.A., was an entirely different matter from the type of activities to be covered by C.I.G. 12/1. Under this proposed directive the C.I.G. would not be making investigations in the United States for internal security, criminal or counter intelligence purposes as the F.B.I. uses this term, but rather would be collecting foreign positive intelligence required for the national security.

MR. CARSON pointed out that the information in many cases would nevertheless include what the F.B.I. is seeking.

GENERAL VANDENBERG stated that whenever that was the case the information would be turned over to the F.B.I.

MR. CARSON noted that his concern was to avoid conflict in this borderline region between C.I.G. and F.B.I.

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GENERAL VANDENBERG questioned how there could be a conflict if the F.B.I. received any information of interest to it.

MR. CARSON thought that C.I.G. activities might conflict with similar F.B.I. activities and contacts.

GENERAL VANDENBERG quoted the following paragraphs from a letter from the Director of the F.B.I. concerning C.I.G. 12/1:

"In the discussion attached to this new proposed directive it is stated: 'Foreign intelligence information related to the national security, although it may be collected from sources whose headquarters are within the limits of the United States and its possessions, is definitely part of the national intelligence mission, the coordination of which is specifically a function of the National Intelligence Authority under the provisions of the President's letter of 22 January, 1946.' This statement is not in agreement with Section 9 of the President's letter of January 22 which states: 'Nothing herein shall be construed to authorize the making of investigations inside the continental limits of the United States and its possessions except as provided by law and Presidential Directives.'

"I note that in the proposed directive it is stated that field agents of the Central Intelligence Group will establish and maintain liaison with the intelligence officers of local Army and Navy headquarters and Air Force headquarters. If this means that the CIG will establish offices in the United States or will operate field agents within the United States or its possessions, I am of the opinion that this is not within the provisions of the President's original directive. I did not understand that the President's original directive contemplated the Central Intelligence Group engaging in any such activities within the United States and its possessions."

ADMIRAL INGLIS said that he gathered from this letter that the F.B.I. feels that it has the exclusive right to collect any information within the continental limits of the United States. He pointed out that the Navy Department, and he understood the War Department, has always collected foreign intelligence information within the United States.

GENERAL VANDENBERG stated that he failed to see how the C.I.G. could contact business firms without establishing field offices for this purpose.

GENERAL CHAMBERLIN asked whether it was planned to assign specific groups to be contacted by the various agencies. He thought it might be possible to specify which groups would be contacted by F.B.I. and which by other agencies.

GENERAL VANDENBERG explained that it is difficult to draw a line in that manner since, for example, shipping firms normally contacted by the Navy might have information of direct interest to the Army.

GENERAL SAMFORD said that he understood the purpose of this directive was primarily to coordinate recognized activities.

GENERAL CHAMBERLIN suggested that the paper be amended to require consultation with the F.B.I. on the advisability of contacts of other than American business concerns. With that change he suggested that the meeting consider any further amendments and then submit the paper as amended to the N.I.A.

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MR. LAY quoted paragraph 3 of N.I.A. Directive No. 1 as follows:

"Any recommendation which you and the Intelligence Advisory Board approve unanimously and have the existing authority to execute may be put into effect without action by this Authority."

He pointed out that, if this directive were confined to activities of the State, War and Navy Departments and C.I.G., and the I.A.B. members representing those Departments concurred, the directive could be issued forthwith.

ADMIRAL INGLIS recommended, and GENERAL CHAMBERLIN concurred, that the F.B.I. be given an opportunity to study the amended version of C.I.G. 12/1.

GENERAL VANDENBERG suggested that Mr. Carson consult with the Director of F.B.I. as to whether the amended paper would be acceptable. If the F.B.I. concurred, the directive could be issued forthwith. If the F.B.I. did not concur, a split paper should then be submitted to the N.I.A.

The Board concurred with General Vandenberg's suggestions, subject to the understanding that if the F.B.I. did not concur, the Board would have another meeting prior to submitting the paper to the N.I.A.

ADMIRAL INGLIS suggested a footnote on page 6 defining the terms "central register" and "contact register." He also suggested an amendment of paragraph 3 g of the directive since, for example, Naval Reserve officers would prefer briefing by O.N.I., which therefore would obtain more information from them.

After further discussion of this paragraph an amendment was agreed upon.

ADMIRAL INGLIS stated that he wished the minutes to show an agreed interpretation of the meaning of paragraph 3 of the directive. For example, if O.N.I. makes a contact, the contact should be told that his name will be placed in the contact register. If the contact does not agree, Admiral Inglis wondered whether that meant that O.N.I. could not use this contact.

GENERAL VANDENBERG thought that the contact would be willing to agree if he knew that it would save him from interrogation by another agency for the same purpose.

GENERAL SAMFORD questioned why the contact needed to know that his name would be placed in the register.

ADMIRAL INGLIS felt that this was necessary in order to play fair and square.

GENERAL VANDENBERG suggested that the contact be asked as diplomatically as possible whether he objected to having his name in the contact register. If the contact would object, then ask him if he would mind having a representative of C.I.G. participate in the briefing and debriefing. If the contact still objected, the briefing agency should check with the C.I.G. as to what information other agencies might want.

GENERAL SAMFORD questioned whether the existence of the contact register should not be kept highly secret.

GENERAL VANDENBERG agreed that if possible the contact register should not be mentioned.

ADMIRAL INGLIS pointed out that individuals frequently volunteer their assistance. These contacts may state that their financial security, continued employment and possibly life itself

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depends on the assurance that the discussion will not go beyond the immediate participants. In such cases Admiral Inglis considered that it is not fair to give their names to the contact register without permission.

GENERAL VANDENBERG suggested that contacts be told that, to prevent their being approached by other agencies, a highly secure central point has been established where all contacts are cleared.

GENERAL SAMFORD felt, and it was agreed, that the names of contacts should be given to the contact register unless they insisted upon secrecy.

COLONEL EDDY suggested, and it was agreed upon, that certain changes be made in paragraphs 3 g and 5 of the proposed directive and that paragraph 4 thereof be deleted since the terms of that paragraph were already covered by previous directives.

THE INTELLIGENCE ADVISORY BOARD:

- a. Concurred in Appendix "A" to C.I.G. 12/1 as amended at the meeting, except for the representative of the Federal Bureau of Investigation who undertook to present the amended directive to the Director of F.B.I. for further consideration (amended directive subsequently circulated as the Enclosure to C.I.G. 12/2).
- b. Agreed with the Director of Central Intelligence that:
  - (1) If the Director of the F.B.I. concurred in the Enclosure, it would be issued forthwith as a directive.
  - (2) If the Director of the F.B.I. did not concur in the Enclosure, the Intelligence Advisory Board would meet again to discuss submitting this matter to the National Intelligence Authority for decision.
- c. Noted the interpretation of the procedures to be followed under the proposed directive as developed in discussion at the meeting.

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